

# EXHIBIT

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# Exhibit B

## *Commonwealth Casino Commission,*



E-FILED  
CNMI SUPERIOR COURT  
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Eva Calvo

## *Evidentiary Hearing, Complaint 2020-00.*

A handwritten signature in black ink, appearing to be "Eva Calvo", written over the end of the title.

*(consolidated)*

*March 2, 2021*

1 MR. GUERRERO: -- the Commonwealth Casino  
2 Commission. Are we ready for the -- before we, uh,  
3 begin, I asked our Executive Assistant Soca Recorder  
4 (phonetic) to, uh, make copies, uh, filed previously by  
5 IPI legal c- -- uh, counsel, Complaint Number, uh,  
6 20-003. This is the, uh, petitioner's motion in limine  
7 for an order excluding evidence related to any defense  
8 predicated on the existence of video poker or  
9 electronic gaming, uh, in Saipan. Uh, we will be  
10 discussing that, uh, today.

11 Ian, are we, uh -- are we online?

12 MR. MORRELL: Yes, sir.

13 MR. GUERRERO: Uh, before I -- I begin,  
14 uh, I'd like to introduce myself. I'm, uh, Edward  
15 DeLeon Guerrero. I will be the presiding officer for  
16 this hearing. To my immediate right, uh, is  
17 Commissioner Mario Taitano. To his right is  
18 Commissioner Diego Songao. To my immediate left is  
19 Commissioner Raf Demapan and to his immediate left,

1 Commissioner Ray, uh, Dela Cruz. This constitutes the  
2 tribunal for -- for this morning.

3 Uh, we are here to basically hear the  
4 Consolidated, uh, Complaint 20-003. This, uh, is  
5 basically -- what was consolidated was, uh, C- --  
6 Complaint Number 20-003, failure to comply with  
7 Commission Order Number 2020-003. I think it might be  
8 appropriate to, uh -- uh, Chix (phonetic), you want to  
9 pass this to both legal counsels so they can kind of  
10 like go through with me?

11 Uh, the other complaint is, uh, 20-004.  
12 This is failure to comply with Commission Order 2020-  
13 004 -- and Complaint Number 20-005, this is failure to  
14 pay the annual Casino Commission Regulatory Fee. All  
15 of these three complaints have been consolidated, uh,  
16 into Complaint Number 20-003.

17 Uh, I just -- the one I just passed out  
18 are some of my, uh, procedural requests that we -- that  
19 we follow. And, uh, let me just see if we have enough  
20 copies made.

1 MR. TAITANO: (Inaudible 00:02:39).

2 MR. GUERRERO: Huh? Uh, I don't have  
3 (inaudible 00:02:42). I -- I'll share with you.

4 MR. TAITANO: (Inaudible 00:02:42) share  
5 with me -- and share it?

6 MR. GUERRERO: -- I'll share with you --  
7 yeah. Uh, before we actually go through the hearing  
8 procedure, this motion that I made reference to, uh, at  
9 the beginning, uh, is hereby granted.

10 MR. ERNEST: (Inaudible 00:02:56) Your  
11 Honor --

12 MR. GUERRERO: Yeah.

13 MR. ERNEST: -- before I could, uh -- may  
14 it please the Commonwealth Casino Commission (inaudible  
15 00:03:02), good morning Chairman, Commissioners,  
16 Assistant Attorney General Michael Ernest on behalf of  
17 the Executive Director in his official capacity as  
18 Executive Director. Uh, Director Yeom is present in  
19 court this morning. Uh, Your Honor, at this time given  
20 the subsequent, uh, events and developments in the

1 case, I believe the motion in limine is mooted by the  
2 evidence that will be presented today and at this time  
3 is, uh, withdrawn, uh, subject to a right to refile  
4 should, uh, it become necessary predicated on any  
5 defense to be offered by IPI. But at this time, it's  
6 no longer necessary and is withdrawn.

7 MR. GUERRERO: Okay. Granted. Consider  
8 that on the record there's a motion being withdrawn.

9 MR. ERNEST: Thank you, Mr. Chairman.

10 MR. GUERRERO: Okay. So are we ready,  
11 then, to proceed before I go to the -- we're ready?  
12 Uh, I, uh, passed out this, uh -- both counsels so  
13 that, uh -- just for procedurally, uh, I'd like to  
14 start out by having both parties simply introduce your  
15 -- yourself, uh, starting with, uh, CCC Legal Counsel  
16 and then, uh -- hang on -- uh, after that, uh, we'll  
17 have brief opening statements, uh, from -- from both  
18 sides.

19 Uh, immediately after that, uh, we'll  
20 allow the presentation of evidence, starting with the

1 petitioner. Uh, at that point in time you are allowed  
2 to present evidence, testimonies, or witnesses. All  
3 witnesses will be using that table.

4 Uh, if there are any witnesses presented,  
5 the, uh, counsel for, uh, respondent IPI, uh, is  
6 allowed to question, examine, or re-examine, or  
7 rebuttal, who -- uh, whatever witnesses is, uh,  
8 presented. Uh, following, uh, CCC's presentation, we  
9 will allow IPI, since IPI reasonably requested for the  
10 hearing, to present their case, uh, in support or in  
11 defense of -- of the, uh, complaints. Similarly, if  
12 you bring any uh, uh, testimony, evidence, or  
13 witnesses, CCC, uh, Legal Counsel have the -- the right  
14 to cross-examine or rebuttal.

15 Uh, immediately after that, uh, you have  
16 closing statements by both parties starting with, uh,  
17 CCC. Uh, at the conclusion of that -- and this is  
18 something that we had previously discussed among our  
19 commissioners regarding -- uh, requiring submittal of  
20 closing arguments -- written closing arguments. It's

1 my understanding that this might be a little difficult.  
2 Uh, if it is, uh, that's something that probably we  
3 could discuss when we get to that point.

4 But we also ask that both parties submit,  
5 uh, written proposed orders based on how you -- you see  
6 what your recommendations are. Uh, CCC will then  
7 deliver it, and we'll come up with a decision in no  
8 less than 90 days. That -- that's -- that's clear for  
9 procedure?

10 MR. MOCANU: Yes.

11 MR. GUERRERO: We ask you for your  
12 cooperation and do not disrupt presentations when --  
13 when they -- they're presented by -- by either party.  
14 Okay. Are the Commonwealth Commissioners -- are we  
15 ready to proceed? No?

16 MR. TAITANO: We're ready.

17 MR. GUERRERO: Uh --

18 UNIDENTIFIED MALE: Yeah.



1 MR. GUERRERO: So, uh, counsel for CCC,  
2 you may proceed, sir, based on these, uh, hearing  
3 procedures.

4 MR. ERNEST: Thank you, Your Honor, uh.  
5 Briefly, again, Assistant Attorney General Michael  
6 Ernest on behalf of Andrew Yeom, Executive Director who  
7 appears in his official capacity as Executive Director  
8 of the Commonwealth Casino Commission. Good morning,  
9 Chairman. Good morning, Commissioners.

10 MR. MOCANU: Good morning, Chairman.  
11 Good morning, Commissioners, Tiberius Mocanu on behalf  
12 of IPI.

13 MR. GUERRERO: Thank you, sir.

14 MR. ERNEST: Uh, thank you. A brief  
15 opening statement -- uh, at the end of the Executive  
16 Director's evidence we will prove beyond a  
17 preponderance of the evidence and actually beyond a  
18 reasonable doubt that IPI has committed, uh, all of the  
19 violations charged in all of the claims in, uh,  
20 Complaint Number 2020-003, 2020-004, 2020-005. And we

1 will -- we will prove that, and then we will petition  
2 the Commission for an appropriate remedy. Thank you.

3 MR. GUERRERO: Thank you, counsel.

4 MR. MOCANU: Chairman, I'm not sure if  
5 you were able to hear it on the last, uh, uh -- to  
6 watch the video from the last hearing, but IPI, um, is  
7 gonna do the exact same thing. We don't dispute the  
8 charges against IPI as outlined by Mr. Ernest. Um,  
9 what we do come here today, uh, to do is explain  
10 ourselves after the fact and ask, uh, that the -- the  
11 fines and the -- the path forward that the Casino  
12 Commission, uh, creates is -- is one that allows IPI to  
13 succeed. That -- that will be our presentation today.  
14 Thank you.

15 MR. GUERRERO: Thank -- thank you,  
16 counsel. Uh, you may proceed with the presentation of  
17 evidence.

18 MR. ERNEST: Thank you, uh, Mr. Chairman.  
19 At this time, I would ask the Commonwealth Casino  
20 Commission to take judicial notice of the laws of the

1 Commonwealth and the regulations of the Commission  
2 generally and also as -- as, uh, without limitation,  
3 uh, the -- the ones I'll be presenting to the  
4 Commission. May I approach?

5 MR. GUERRERO: Yes, yes, please.

6 MR. ERNEST: I'm giving the Commissioner  
7 and his legal cou- -- Commission's counsel uh, a packet  
8 of the relevant applicable controlling legal authority.  
9 Let the record show that I've given that same packet to  
10 opposing counsel.

11 Um, thank you, Mr. Chairman. At this  
12 time, I would offer a stipulation concerning the  
13 evidence, which states that the exhibits listed in --  
14 in the stipulation are to be admitted without  
15 objection. May I approach?

16 MR. GUERRERO: Ye- -- yes, please.

17 MR. ERNEST: I'm presenting the  
18 Commission with the stipulation signed by both counsels  
19 and a copy for their counsel. Opposing counsel has  
20 been provide a copy of that stipulation.

1 UNIDENTIFIED MALE: (Inaudible 00:09:05).

2 MR. ERNEST: Uh, given that stipulation,  
3 Your Honor, the Executive Director moves that Exhibits  
4 1 through 13 be exhibi- -- uh, be entered into evidence  
5 -- accepted into evidence, and published to the trier  
6 of fact without objection. So moved? Let the record  
7 reflect that I've given the Chairman Exhibits 1 through  
8 13 inclusive with copies to Commission's counsel. And  
9 opposing counsel has been provided a copy of each  
10 exhibit.

11 Finally, Your Honor, there's one more  
12 stipulation. Um, it's concerning facts not in dispute.  
13 May I approach?

14 MR. GUERRERO: Yes, yes.

15 MR. ERNEST: Let the record reflect I'm  
16 giving the -- the Chairman the first stipulation as to  
17 the evidence, and the first stipulation is the facts  
18 not in dispute. Opposing counsel has been given a  
19 copy. Now, uh, I've asked that the stipulations be  
20 accepted into evidence as well.

1 MR. GUERRERO: Yes, are you done with  
2 those, uh, stipulation doc- -- documents -- stipulated  
3 documents? If they are, uh --

4 MR. ERNEST: I -- I have extra copies if  
5 the Commission would like it. I will be referring to  
6 it.

7 MR. GUERRERO: No.

8 MR. ERNEST: But I --

9 MR. GUERRERO: But you can -- you can  
10 hang on. Uh, just about to say that all of the  
11 stipulations are hereby approved -- accepted.

12 MR. ERNEST: Thank you. Would the  
13 Commission like -- I have three extra copies of the --

14 MR. GUERRERO: Uh, please. Thank --  
15 thank you.

16 MR. ERNEST: Thank you. Mr. Chairman, as  
17 Exhibits 1 through 13 have been accepted into evidence  
18 and published to the trier of fact as have the  
19 stipulations of evidence and fact today, as the case  
20 stands on each complaint, there are no triable issues

1 of material fact, and all that remains is to affix the  
2 proper penalty, if any. If you compare Exhibit 1 and  
3 Exhibit 2 and Exhibit 3 and Exhibit 4 and Exhibit 5 and  
4 Exhibit 6 along with today's stipulations, you'll see  
5 that IPI is be- -- has admitted all the facts necessary  
6 to find beyond a preponderance of the evidence and, in  
7 fact, beyond a reasonable doubt that they should be  
8 punished for each and every claim and each and every  
9 complaint, number 2020-003, 2020-004, and 2020-005.

10 Uh, just briefly I'd like to highlight  
11 today's stipulation -- only three paragraphs --  
12 paragraphs C, G, and I. Paragraph C, "Respondent IPI  
13 (CNMI) LLC has violated Commission Order 2020-003 every  
14 day since August 8th, 2020 up through and including  
15 March 2nd, 2021." Paragraph G, "Respondent Imperial  
16 Pacific International (CNMI) LLC has violated  
17 Commission Order 2020-004 every day since August 8th,  
18 2020, up through and including March 2nd, 2021." And  
19 Paragraph I, "Respondent Imperial Pacific (CNMI) LLC  
20 has violated Commission -- Commonwealth law, Commission

1 Order 2019-004, Commission Order 2020-004, and the  
2 stipulated agreement Enforcement Action 2019-001 every  
3 day since October 1st, 2020, up through and including  
4 March 2nd, 2021."

5 Uh, with this stipulation and the -- the  
6 facts and admissions in the complaints and answers,  
7 there simply is no triable issue of material fact as  
8 to, uh, the respondent's liability for the infractions  
9 and the violations claimed in each complaint. The only  
10 thing left to decide is should they be -- be penalized,  
11 and if so, what should the -- the penalty be?

12 So at this time, Mr. Chairman, given that  
13 IPI has admitted that it has violated the orders and  
14 statutes as charged and there being no triable issue of  
15 material facts, the Executive Director rests his case  
16 in chief on the exhibit -- exhibits and stipulations,  
17 reserving the right to recall rebuttal witnesses should  
18 IPI put on a defense. If IPI will offer no defense,  
19 the Director moves for judgement on each claim of each

1 complaint and is ready to argue for the appropriate  
2 penalty. Thank you very much.

3 MR. GUERRERO: Thank you, uh, legal  
4 counsel.

5 MR. MOCANU: Uh, IPI will not be mounting  
6 a defense.

7 MR. GUERRERO: Thank -- thank you, sir.  
8 Uh --

9 MR. ERNEST: At this time, the Executive  
10 Director would move for judgement on each co- -- claim  
11 of each complaint --

12 MR. GUERRERO: Okay.

13 MR. ERNEST: -- and move on to the  
14 penalty phase.

15 MR. GUERRERO: Okay. You want to do  
16 your, uh, closing statement or closing argument?

17 MR. ERNEST: Well, we'd like to argue for  
18 the appropriate penalty, Your Honor.

19 MR. GUERRERO: Okay. Okay. Do you want  
20 to --



1 MR. ERNEST: So I'm assuming the  
2 Commission is going to find --

3 MR. GUERRERO: You want to set those, uh  
4 -- the recommended remedies?

5 MR. ERNEST: Yes, Your Honor.

6 MR. GUERRERO: Okay. You may proceed.

7 MR. ERNEST: First, we'd like to move for  
8 judgement on the complaints that finding IPI is guilty  
9 as charged.

10 UNIDENTIFIED MALE: If IPI is guilty,  
11 there's no defense raised.

12 MR. GUERRERO: Uh, at this point in time,  
13 since IPI does not object to those charges that you  
14 have presented, uh, seeing all these stipulations, uh,  
15 we will go ahead and -- and grant a judgement, uh, in  
16 favor of the plaintiffs.

17 MR. ERNEST: Thank you, Your Honor.  
18 Thank you, Mr. Chairman.

19 MR. GUERRERO: Uh-huh.

1 MR. ERNEST: Uh, un- -- under the penalty  
2 phase, um, first, the Executive Director moves that the  
3 Commission issue the declaratory orders sought by  
4 Complaints -003, -004, and -005 as the factual and  
5 legal ba- -- legal basis for each has been proven  
6 beyond a preponderance of the evidence and, uh, beyond  
7 a reasonable doubt. Next, the Executive Director seeks  
8 the imposition of casino gaming license revocation, uh,  
9 an order revoking the gaming license -- excuse me --  
10 suspending the gaming license -- I apologize --  
11 suspending the gaming license in each complaint -003,  
12 -004, and -005 as the factual legal basis for each has  
13 been proven beyond a preponderance of the evidence and  
14 again, we would argue, beyond a reasonable doubt.

15 At this time, I would like to apologize  
16 to the Commission. Um, I am having a -- a slight  
17 medical issue that I'm under treatment for, but my  
18 medication is a little screwy. So if I seem like I'm  
19 sweaty or nervous, it has nothing to do with the  
20 quality of the -- the complaints. I'm just not at my

1 best 100 percent. And I do apologize for my  
2 misstatements today.

3 Um, so again, we're asking for a license  
4 suspension of indeterminate amount, uh, until they  
5 fully comply with the orders that they have violated.  
6 And -- and finally, regarding monetary sanctions, uh,  
7 if any, um, each violation of each complaint that deals  
8 with the violation of an order of the Commission has  
9 been a major violation per the CCC's regulations.

10 The Executive Director asserts that all  
11 the remaining violations should also be found to be  
12 major violations as well. Given the harm to the  
13 public, the licensee's failure to accept responsibility  
14 until last week, and the willful nature of the actions  
15 and the admissions charged and -- and for which they  
16 were found guilty, uh, assuming the Commission agrees,  
17 the Executive Director seeks a monetary penalty  
18 somewhere between the minimum and maximum fine in the  
19 sound judgement of -- of the Commission.

1                   The minimum available fine is \$0 for all.  
2   Uh, any major violation can be punished with -- by no  
3   penalty or no fine, uh, up to \$50,000. And all major  
4   violations can also, uh, include license suspension.  
5   And if they find numerous repeated major violations, it  
6   could be license revocation. The Executive Director  
7   does not seek revocation at this time. He seeks merely  
8   the suspension of indef- -- indeterminate length.

9                   Again, the minimum fine available is \$0  
10   for each violation and -- and in total. The Executive  
11   Director asserts this would be wildly inappropriate  
12   given the posture of this case. Uh, the maximum  
13   possibilities are actually quite interesting. Uh,  
14   Complaint 2020-003 Claim 1, there's one initial  
15   violation and then 52 violations since January 8th,  
16   including 53 major violations. At \$50,000 a violation,  
17   that'd be a -- a maximum fine of \$2,650,000 -- uh, the  
18   exact same numbers for Claim Number 2 of 2020-003.

19                   So the range available in claim -- in  
20   Complaint Number 2020-003 is a fine of \$0 up to

1 \$5,300,000 for 106 total violations. Um, likewise,  
2 2020-005 has similar math. Claim 1 has one additional  
3 violation and then 52 additional claims since January  
4 8th, leading to 53 major violations. Uh, it's the  
5 exact same numbers except there's an additional claim.  
6 So it would be 159 violations at \$50,000. That's a  
7 maximum fine of \$7,950,000.

8 MR. GUERRERO: For --

9 MR. ERNEST: For -005.

10 MR. GUERRERO: Uh, so let me -- let me go  
11 back to -003. What is your recommended maximum  
12 monetary sanctions?

13 MR. ERNEST: We, uh -- we'll -- we'll be  
14 coming to that in a second --

15 MR. GUERRERO: Okay.

16 MR. ERNEST: -- Your Honor. Mr.  
17 Chairman, I'd just like to explain to you the breadth  
18 of the remedies available. (Loud sound in background.)

19 MR. GUERRERO: Okay.

20 MR. ERNEST: That happened, right?

1 MR. GUERRERO: Yes.

2 MR. ERNEST: Okay. (Inaudible 00:19:10).

3 I'm a little (inaudible 00:19:13).

4 MR. GUERRERO: Yeah.

5 MR. ERNEST: -- not at my best today.

6 MR. GUERRERO: I just need to know the --  
7 your recommended, uh, maximum monetary sanction for  
8 each one.

9 MR. ERNEST: Y- -- yes, Your Honor.

10 MR. GUERRERO: Okay.

11 MR. ERNEST: And I think, Mr. Chairman,  
12 we'll be making that, I think, after we hear --

13 MR. GUERRERO: Okay.

14 MR. ERNEST: -- uh, IPI's presentation of  
15 its argument. Um, 2020-004 seems like the no- -- most  
16 innocuous of complaints, but it really is the one with  
17 the most astounding potential penalties. Um, Claim 1  
18 is the same as all the other complaints -- one initial  
19 violation, 52 claims since January 8th so a possible at  
20 50,000 of \$2,650,000. But instead of one instance, uh,

1 for a violation of Claim 1, there's actually 300  
2 separate violations for each -- each, uh, vendor not  
3 paid.

4 So the maximum for Claim 1, counting each  
5 unsettled account, is actually multiplied by 300. So  
6 for Claim 1 of 2020-004, the initial violation plus 52  
7 a- -- additional violations times 300 instances is  
8 15,900 major violations. At \$50,000 a violation,  
9 that's \$795 million in potential violations.

10 MR. TAITANO: 795?

11 MR. ERNEST: Yes, I have your attention  
12 Commissioner -- which seems wildly inappropriate, but  
13 we are talking about a \$2 billion required investment.  
14 Claim 2 is not as bad, uh, one initial violation, 52  
15 claims since January 8th, 53 major violations, except  
16 there are 5 certifications not made. Each failed  
17 certification being a separate violation, that's, uh,  
18 the -- the -- the -- the base rate of times five, so  
19 it's 265 major violations at \$50,000 a violation.  
20 That's \$13,250,000.

1                   Uh, a grand total of all the complaints,  
2 the -- the -- the maximum possible that we've  
3 alleged -- there -- there actually are more violations  
4 but f- -- for what we've alleged, the theoretical  
5 maximum for all fines, assuming the Commission finds  
6 that they are all major violations and they punish them  
7 by the maximum fine, is 16,165 la- -- violations --  
8 16,165 violations. At \$50,000 a violation, that's  
9 \$808,250,000.

10                   The Executive Director does not request  
11 that and frankly does not expect the CCC to impose  
12 that. Quite frankly, the Executive Director seeks the  
13 imposition of a fine that in the Commission's judgement  
14 will impress upon IPI that, for once, it has to take  
15 the CNMI's laws and the CCC's regulations seriously. I  
16 don't know what that number is. Maybe Mr. Mocanu can  
17 shed some -- some light on that. I'm hoping he will.

18                   But it's time for me to express a  
19 difficult truth, knowing that you're the boss of my  
20 boss and knowing that you're not gonna want to hear



1 this and knowing that it's culturally insensitive for a  
2 relatively younger guy like me to give harsh truths to  
3 more experienced gentlemen like yourselves, but the  
4 fact is the evidence shows that IPI has absolutely zero  
5 respect for you. I hate to say it. It gives me no  
6 pleasure to say it. But I have to say it.

7                   If IPI respected the Commission, it would  
8 have done the bare minimum. They're going to say "We  
9 have no money." I'm assuming they're going to say  
10 force majeure. They're going to say "We have a federal  
11 receivership."

12                   One of the claims is that they didn't  
13 even take the time to make required certifications to  
14 you. Their CEO had to make certifications: "We're a  
15 going concern. We're solvent. We have enough money to  
16 finish -- finish the IGF."

17                   That's all they had to do. Doesn't cost  
18 any money, zero dollars, and they didn't even do that.  
19 Clearly, they have better things to do than follow your  
20 orders. And again, that gives me no great pleasure to

1 say that -- maybe a little bit of pleasure to say it.

2 But it is uncomfortable for me to say it.

3                   So what is the proper punishment? I  
4 don't know. If you want to be very punitive about it,  
5 it -- the proper punishment is \$808 million. But  
6 that's not what we're asking for. We're asking for the  
7 Commission to impose a penalty that impresses upon IPI  
8 the need to start following Commonwealth law and to  
9 start respecting the Commonwealth Casino Commission.  
10 And perhaps Mr. Mocanu can shed some light as to what  
11 that number is.

12                   Uh, until we hear from Mr. Mocanu, the  
13 Executive Director leaves the determination of the  
14 final penalty, if any, to the sound judgement of the  
15 Commonwealth Casino Commission. If the Commission has  
16 any questions, I'd be happy to address them.  
17 Otherwise, I --

18                   MR. GUERRERO: You -- you recommended,  
19 uh, that the casino license be suspended for an  
20 indeterminate amount of time.

1 MR. ERNEST: Until -- wise --

2 MR. GUERRERO: What do you recommend, uh,  
3 would be your maximum time?

4 MR. ERNEST: I- -- i- -- indeterminate i-  
5 -- is until they -- they comply.

6 MR. GUERRERO: With conditions that --  
7 set forth in the previous orders?

8 MR. ERNEST: Yes.

9 MR. GUERRERO: Okay.

10 MR. ERNEST: They need to comply with  
11 2019-004, 2020-003, 2020-004. They have to comply with  
12 Commonwealth law regarding the casino regulatory fee.  
13 Uh, and until they're in full compliance with those,  
14 they -- we -- we seek revocation -- su- -- suspension  
15 of their casino gaming license. Um, to be frank,  
16 what's going to happen is there's going to be, I'm  
17 assuming, some sort of a suspension and some sort of a  
18 fine.

19 The question, as I see it, is what does  
20 IPI do after today? Does IPI just take the loss here,

1 rack up whatever order you say, and then do nothing  
2 about it? Do they not try and give \$1 in regulatory  
3 fee? Do they just try to survive this, get your order,  
4 and then deal with the chief judge, throw all the money  
5 at the district court -- whatever Chief Judge Mangloña  
6 says? If they do that, I would submit that the  
7 Executive Director is probably going to follow up with  
8 complaints in the future quite quick, next time seeking  
9 revocation.

10 I think IPI has a great chance here to  
11 argue for mercy or argue for whatever the -- the  
12 appropriate penalty is. And then once that is imposed  
13 by the Commission, IPI has a chance to actually  
14 demonstrate that it's acting i- -- in good faith. It  
15 has a chance to start making the payments that -- that  
16 is required in this case and in, uh -- I'll refer to  
17 the previous case. I'm not arguing on that case. But  
18 they have an opportunity to make right before the  
19 Commission. And if they do that, I -- I think going  
20 forward there is a going forward.

1                   But I think if IPI just takes whatever  
2 order the Commission gets and does nothing, I -- I  
3 don't think -- I think the -- the suspension would be  
4 of a rather short time because the Director would  
5 probably be filing actions for revocation. Today, it's  
6 up to the Commission, but, ultimately, it's up to IPI.

7                   MR. GUERRERO: I don't foresee another  
8 hearing for revocation. I foresee that if the  
9 Commission decides to proceed with the suspension and  
10 we identify a period, that at the end of the period, if  
11 IPI does not comply with those suspension, uh,  
12 conditions, that revocation would be automatic.

13                  MR. ERNEST: Um --

14                  MR. GUERRERO: Is that -- is that --

15                  MR. ERNEST: -- I don't foresee that. I  
16 -- I think that the Commission would have to vote  
17 unanimously for the revocation. I -- I think that --  
18 the -- the Executive Director would have a burden of  
19 proving that whatever order was imposed was not  
20 followed.

1 I think we would have another one of  
2 these. I imagine it would be quite quick. I -- I  
3 imagine it would be quite easy. I don't imagine we  
4 would file it in May and hear it in -- in February,  
5 like we did with 2020-001. I imagine it would be  
6 almost routine but not knee-jerk. And -- and I think  
7 there would have to be -- uh, a- -- and respectfully  
8 that's just how I see it. Uh, I think there would have  
9 to be another hearing. I see counsel for IPI is  
10 probably silently agreeing with me. Uh --

11 MR. GUERRERO: So are you -- are you  
12 done, sir?

13 MR. ERNEST: Unless there are any other  
14 questions.

15 MR. GUERRERO: Okay. Any -- any  
16 questions from -- (inaudible 00:28:05).

17 MR. ERNEST: Thank you.

18 MR. GUERRERO: Yeah, thank you.

19 MR. ERNEST: Sorry.

1 MR. MOCANU: Just to go along with that  
2 last discussion about, um, the sentence issued by this  
3 tribunal, uh, effecting revocation on its own terms, I  
4 think the reason another -- it wouldn't work because it  
5 wouldn't be an agreement between IPI and the  
6 Commission. It would a be sentence imposed. So the  
7 punishment of that sentence then, like Mr. Ernest said,  
8 would have issues of fact that would need to be brought  
9 before another hearing where IPI was given due process  
10 and in order for Mr. Ernest and the Executive Director  
11 to make its case. So I -- I don't think it could be  
12 effectuated on its own terms.

13 With that being said, that is logically  
14 the -- the sentence that this Commission would do if  
15 IPI does not s- -- stick to the terms of -- of whatever  
16 fines and -- and benchmarks this Commission will set,  
17 uh, in lieu of the five different complaints that were  
18 filed against it.

19 UNIDENTIFIED MALE: (Inaudible 00:29:02)

20 MR. MOCANU: Um --

1                   MR. GUERRERO: Are you saying, sir, that  
2 the Commission, as we stand today, does not have the  
3 authority, right now as of today, issue a judgement of  
4 revocation, even if the petitioner is seeking only  
5 suspension?

6                   MR. MOCANU: I would argue it ought not.

7                   MR. GUERRERO: Ought not?

8                   MR. MOCANU: Ought not.

9                   MR. GUERRERO: But it doesn't say that  
10 legally we do not have the authority.

11                  MR. MOCANU: I would -- I would, uh, rely  
12 on your counsel for that ability or non-ability. I  
13 would argue that there's -- there's a different burden  
14 and -- and a different, um, due process that needs to  
15 be afforded if what was sought was revocation, wh- --  
16 which is a finality. I'm -- I'm not disputing that you  
17 have the delegated power from the Legislature to come  
18 to these sorts of decisions. I would argue that  
19 process requires that -- that IPI be confronted with,



1 um, the decision by the Executive Director to seek  
2 revocation and prepare for such a hearing.

3 If the prayer for relief would have  
4 sought revocation, then I would assent it had been well  
5 within the jurisdiction and the power of this tribunal  
6 to -- to seek revocation. But since it did not and the  
7 hearing was styled differently, I would say that that  
8 does offend due process.

9 That being said, I understand where Mr.  
10 Ernest was getting for with the idea of respect. That  
11 judgements in federal court get paid, judgements here,  
12 uh, get delayed, uh, and that this tribunal is  
13 frustrated with that idea. I am new, um, and I'm here.  
14 And I tried to show the utmost -- utmost respect for  
15 this tribunal by not wasting any of your times by  
16 stipulating to, uh, facts that were undisputed, by not  
17 coming here and arguing, um, and wasting everybody's  
18 time when it is clear that ro- -- regulatory fee wasn't  
19 paid, that the amount in reserve that needed to be  
20 there in order to pay vendors and payroll was not there

1 -- um, that, uh, we have accounts that have been over  
2 90 days delinquent.

3                   So we come here, as I stated earlier, of  
4 the posture of this is where we are now and the reality  
5 of this situation, and how do we move forward? I think  
6 it's indicative by Mr. Ernest only seeking suspension  
7 and not revocation that there's a desire by the  
8 Executive Director's Office and, I think, the Saipan  
9 and CNMI community as a whole that IPI succeed, that  
10 IPI come back from this situation and do well.

11                   Now, that's not to say that -- that fines  
12 or -- or, uh, an imposition of sentence by this  
13 tribunal isn't necessary to assure that, to create a  
14 structure for that success. But it should not be one  
15 that is punitive, as Mr. Ernest, uh, described. It  
16 should not be one that carries an \$808 million burden.  
17 It should be one that creates a system through which  
18 IPI has the ability to regroup and begin to come on  
19 board with, um, its payments and to be, uh, squarely

1 under the law and the regulations of -- of this  
2 Commission as it tries to regain its gaming license.

3 Um, it was -- it was mentioned  
4 dismissively about force majeure. Um, and I didn't  
5 raise it as an affirmative defense in the defense  
6 section but wanted to just bring it up as a mitigating  
7 circumstance that I think this Commission ought to take  
8 into consideration when framing whatever plan that is  
9 that's gonna be imposed on IPI. Um, certainly as Mr.  
10 Ernest demonstrated last week, IPI was in dire  
11 financial, um -- in a dire financial place even coming  
12 up to the beginning of the pandemic. But the pandemic  
13 desolated that -- decimated that. So when it now tries  
14 to regroup, it's a -- it's against that backdrop of no  
15 tourists have been here for over a year.

16 Um, it has 30 different cases across, uh,  
17 state and federal court. It -- it is actively looking,  
18 as Mr. Tao said last time, for investors and -- and,  
19 uh, the ability to -- to bring in new money so that it  
20 regroups from this situation. But it cannot do so, um,

1 while it's staring down the barrel of a gun. It has to  
2 be given some breathing room, and it has to be able to,  
3 uh, execute a plan that's reasonable and sets them up  
4 for success. I welcome any questions.

5 UNIDENTIFIED MALE: 52 times.

6 MR. GUERRERO: Thank you, uh, Mr. Mocanu.  
7 I understand that, uh, you're -- you're new with this  
8 particular, um, uh, activity. But I'm sure you have  
9 reviewed or you had the, uh, opportunity to review  
10 Public Law 18-56. This is the original law that, uh,  
11 authorized existence of, uh, the casino here in the  
12 Third Senatorial District. In that law, it requires  
13 the licensee to be financially suitable. CCC did not  
14 enter that. That's in the law that they must be  
15 financially suitable. The definition provided to us  
16 through a legal opinion from the Office of Attorney  
17 General have defined financial suitability to be in the  
18 summary --

19 UNIDENTIFIED MALE: (Inaudible 00:33:45)  
20 to each claim.

1 MR. GUERRERO: -- the ability of IPI to  
2 pay -- its vendors when the bills become due -- when  
3 the services become due. You already expressed that  
4 they were not able to pay that.

5 CCC doesn't only have -- being the  
6 regulatory entity for that law -- doesn't only have the  
7 authority but has the obligation to enforce. So if the  
8 law says you must be financially suitable and there are  
9 evidence -- clear evidence -- that you are not paying  
10 your debt as they become due, don't you think it's the  
11 CCC's not only authority but obligation on behalf of  
12 the Commonwealth people to enforce the requirement to  
13 be financially suitable? And the proposal that you're  
14 suggesting is to be lenient --

15 UNIDENTIFIED MALE: To Page 7 (inaudible  
16 00:34:31).

17 MR. GUERRERO: -- give consideration,  
18 allow IPI to regroup. Up until now I have not heard  
19 any serious discussion on how that regrouping is going  
20 to come about. We see new faces every couple of weeks

1 talking about something completely that the previous  
2 management were not even able to come close to  
3 answering -- this issue of financial suitability. This  
4 is a requirement of the law.

5 MR. MOCANU: I think -- I think your  
6 recitation of the law and, uh, moving pieces that's  
7 guiding your decision is exactly correct. Um, I do  
8 believe that the CCC has the obligation to enforce the  
9 law. And I think the law, as you've explained it, is  
10 clear.

11 That being said, I think you have  
12 discretion in how you go about enforcing that law. As  
13 -- as Mr. Ernest said, you have -- you have a ceiling  
14 and a floor of punishments that's available to you.  
15 And you have different reme- -- remedies at your  
16 disposal.

17 Um, I like Mr. Er- -- Ernest's honesty,  
18 so I'll be quite honest as well. We're in the last  
19 chapter of this story pretty clearly. Um, the CCC's  
20 gonna get to write the ending, and it's gonna write one

1 where IPI came back after regrouping and did very, very  
2 well or IPI is no longer here. I think that's clear.  
3 I think that's evident. I think to call it anything  
4 else is disingenuous. So we're there now. So you get  
5 to write it.

6 We're asking that you create, uh, systems  
7 of checks and balances and hold IPI accountable but  
8 with the understanding of the economic crisis that it's  
9 being faced with and its ability to incrementally make  
10 progress. Taking that into account, I think there's a  
11 framework that's feasible and that it ends better. If  
12 it doesn't and those benchmarks aren't -- aren't met,  
13 nobody would call you unreasonable for dropping the  
14 hammer down and writing it the other way. There has  
15 been plenty that has happened. But here we are.

16 MR. GUERRERO: Thank -- thank you, sir,  
17 for your -- for your honesty too on this matter. Any  
18 questions from the Commission? You got a question?

19 UNIDENTIFIED MALE: Well, let's make the  
20 decision, uh, the later date?

1 MR. GUERRERO: Yeah, yeah.

2 UNIDENTIFIED MALE: Uh, I -- I --

3 MR. DEMAPAN: Did you place an offer -- a  
4 -- a recommendation that takes (inaudible 00:36:45) --

5 MR. GUERRERO: Yeah.

6 UNIDENTIFIED MALE: -- and talks about  
7 that (inaudible 00:36:47)?

8 MR. GUERRERO: On these, uh, issues, uh,  
9 o- -- obviously some of the maximum recommended, uh,  
10 has been laid out, um, from zero to 800 million  
11 monetary fines and indeterminate amount of time for  
12 suspension. But you made references to benchmarks. Do  
13 you have any recommendations on what those benchmarks  
14 might be?

15 MR. MOCANU: I do. And I appreciate the  
16 Commission's, um, allowing us to write proposed orders.

17 MR. GUERRERO: Okay.

18 MR. MOCANU: Uh, I'd actually like -- I  
19 know I shouldn't be asking for anything -- but I'd like



1 more than three working days, um, just to be able to  
2 work --

3 MR. GUERRERO: How much time would you  
4 need for the, uh, proposed orders?

5 MR. MOCANU: If -- if I could -- if I  
6 could have it back to you by, uh, a week from today --

7 MR. GUERRERO: Oh.

8 MR. MOCANU: -- following Tuesday?

9 MR. ERNEST: No objection.

10 MR. GUERRERO: Okay. Okay.

11 MR. MOCANU: Uh, that would be better.

12 In fact, ideally, um, maybe I could even work with, uh,  
13 Mr. Ernest in -- in at least agreeing to certain things  
14 so -- if that would get us on the same page. But,  
15 um --

16 MR. GUERRERO: Hey, uh, Chix, can you  
17 pull up the calendar? I think you have a calendar.  
18 Uh, we're gonna be having our Casino Commission meeting  
19 on August 24.

20 MR. TAITANO: Mm-hmm.

1 MR. GUERRERO: So can we move up --

2 MR. TAITANO: August?

3 MR. GUERRERO: -- uh, -- I mean --

4 MR. TAITANO: August?

5 MR. GUERRERO: -- uh --

6 MR. TAITANO: March. March.

7 MR. GUERRERO: -- uh, March --

8 UNIDENTIFIED MALE: March 24th.

9 MR. GUERRERO: -- March -- March 24.

10 UNIDENTIFIED FEMALE: March 24th.

11 MR. TAITANO: Mr. Chairman, March 24 is a  
12 holiday.

13 MR. ERNEST: That's a holiday.

14 MR. GUERRERO: It's a holiday?

15 MR. TAITANO: Yeah, Commonwealth Day.

16 MR. ERNEST: It's my birthday, Your  
17 Honor.

18 MR. GUERRERO: Oh, that's a good day to  
19 meet then -- good day to meet.

20 MR. TAITANO: Oh. All right.

1 UNIDENTIFIED MALE: (Inaudible 00:38:06).

2 MR. GUERRERO: So what's the 25th? 25th  
3 is Thursday?

4 UNIDENTIFIED FEMALE: That's a Thursday.

5 UNIDENTIFIED MALE: Thursday.

6 MR. GUERRERO: Okay. So what's 10 days  
7 move -- moving up, uh, 10 days before that for the  
8 deadline for submission of that?

9 UNIDENTIFIED MALE: Ten days will be  
10 11th.

11 MR. GUERRERO: Okay. 11th. What day is  
12 that?

13 UNIDENTIFIED MALE: Uh, that's a  
14 Thursday.

15 UNIDENTIFIED FEMALE: Ten days --

16 MR. GUERRERO: So Thursday?

17 UNIDENTIFIED FEMALE: -- before the  
18 meeting, that would be the 15th.

19 MR. GUERRERO: Uh, for -- yeah, yeah,  
20 before the meeting?

1 UNIDENTIFIED FEMALE: Yeah.

2 MR. GUERRERO: What -- what --

3 UNIDENTIFIED FEMALE: The meeting on the  
4 25th?

5 MR. GUERRERO: Yeah.

6 UNIDENTIFIED FEMALE: So 10 days before  
7 that will --

8 MR. GUERRERO: 15th.

9 UNIDENTIFIED FEMALE: -- be the 15th.

10 MR. GUERRERO: 15th.

11 UNIDENTIFIED FEMALE: That's a Monday.

12 MR. GUERRERO: So would you be able to  
13 submit the written order by no later than the 15th?

14 MR. ERNEST: Uh, I -- I'm happy to get  
15 something, uh, i- -- if Mr. Mocanu is looking for a  
16 collaborator or a collaborator.

17 MR. MOCANU: Not necessarily but maybe  
18 there's some things --

19 MR. GUERRERO: Okay.

20 MR. MOCANU: -- we might -- we may be --

1 MR. ERNEST: Uh, we get along fairly  
2 well. We work together fairly well. It's just I am  
3 having a medical issue, and I don't --

4 MR. GUERRERO: Okay.

5 MR. ERNEST: -- know what my availability  
6 is going to be.

7 MR. GUERRERO: Yeah.

8 MR. ERNEST: So I -- I will promise to  
9 get it to you whenever you want.

10 MR. GUERRERO: You should --

11 MR. ERNEST: But I might be asking for an  
12 extension.

13 MR. GUERRERO: You should turn it as soon  
14 as possible but not to exceed 15 days from today. Is  
15 that reasonable?

16 MR. MOCANU: Yes, sir. (Inaudible  
17 00:39:03).

18 MR. GUERRERO: Uh, and can we make sure  
19 that in the drafting of those benchmarks that it's time  
20 that IPI take all of this very seriously? There shall

1 be no benchmark agreed to by IPI that is not followed.  
2 All of the agreements that's in question have been  
3 agreed to by IPI -- openly agreed to but then ignored.  
4 So in your proposed benchmark, please let them  
5 understand that there will be no more additional  
6 benchmark if they do not comply with the agreed upon --  
7 or to be agreed upon benchmarks.

8 Uh, any other, uh -- so is that -- that's  
9 okay, no? 15 days? I'll put in a date of 15 days from  
10 today.

11 MR. TAITANO: Monday.

12 UNIDENTIFIED FEMALE: 15 days from today  
13 is --

14 MR. GUERRERO: Yeah.

15 UNIDENTIFIED MALE: 17th.

16 UNIDENTIFIED FEMALE: -- the 17th?

17 UNIDENTIFIED MALE: Seven --

18 MR. GUERRERO: March 7 -- March 17th --

19 MR. TAITANO: 17.

1 MR. GUERRERO: -- that's, uh, Saint  
2 Patrick's?

3 UNIDENTIFIED FEMALE: That's a Wednesday.

4 MR. MOCANU: That's my wife's birthday.  
5 Everyone's birthday (inaudible 00:39:53).

6 MR. TAITANO: All right.

7 UNIDENTIFIED MALE: So that's great.  
8 We'll just -- (inaudible 00:39:55) the meeting now? So  
9 that's (inaudible 00:39:57).

10 MR. GUERRERO: I wrote that should be 10  
11 days in advance of your order and then -- the discuss  
12 before that.

13 MR. ERNEST: Okay. How --

14 UNIDENTIFIED MALE: So, Mr. Chairman?

15 MR. GUERRERO: Sure.

16 UNIDENTIFIED MALE: So are we meeting,  
17 uh, on --

18 MR. GUERRERO: On -- in, uh -- on --

19 UNIDENTIFIED MALE: -- (inaudible  
20 00:40:04) meet March (inaudible 00:40:05)?

1 MR. GUERRERO: -- March -- March 25th.

2 UNIDENTIFIED MALE: That's our meeting?

3 MR. GUERRERO: Yeah.

4 MR. TAITANO: That's a Monday.

5 MR. GUERRERO: It's just to submit -- for  
6 them to submit that and then --

7 UNIDENTIFIED MALE: Uh --

8 UNIDENTIFIED MALE: Maybe we can get the  
9 benchmark maybe before that.

10 MR. GUERRERO: Yeah.

11 MR. TAITANO: (Inaudible 00:40:14).

12 MR. GUERRERO: The benchmark before --

13 UNIDENTIFIED MALE: -- this Monday.

14 MR. ERNEST: And this -- this gives you  
15 an opportunity --

16 MR. GUERRERO: (Inaudible 00:40:16) --

17 MR. ERNEST: -- to review the orders  
18 before your (inaudible 00:40:17).

19 MR. GUERRERO: Just to review?



1 UNIDENTIFIED MALE: No. But I mean, uh,  
2 of when we're meeting?

3 MR. GUERRERO: We're gonna be meeting,  
4 uh, uh -- not -- uh, as a separate tribunal --

5 UNIDENTIFIED MALE: Okay.

6 MR. GUERRERO: -- to -- to look at that.  
7 Not as part of monthly meeting.

8 MR. ERNEST: He didn't get (inaudible  
9 00:40:28).

10 UNIDENTIFIED MALE: Oh, so we will be  
11 meeting, then?

12 MR. GUERRERO: Yeah. Yeah, separate --

13 MR. MOCANU: So it doesn't matter at this  
14 point.

15 MR. GUERRERO: -- separate. Uh, sorry  
16 for the interruptions. Uh, Mocanu, you may proceed,  
17 sir, on your --

18 MR. MOCANU: March 17th.

19 MR. GUERRERO: Yeah.

20 MR. MOCANU: Thank you.

1 MR. GUERRERO: March 17, no later than.

2 MR. MOCANU: Okay. And it should be --  
3 it -- it's -- it's gonna be styled not as, uh, arguing  
4 for a position but simply outlining this proposal,  
5 correct?

6 MR. GUERRERO: Okay.

7 MR. MOCANU: Oh, thank you, Your Honor  
8 and, uh, Commission.

9 MR. GUERRERO: So you're -- you're done  
10 for your (inaudible 00:40:53)?

11 MR. MOCANU: Yes, yes.

12 UNIDENTIFIED MALE: (Inaudible 00:40:54)  
13 one down.

14 UNIDENTIFIED MALE: (Inaudible 00:40:55).

15 MR. GUERRERO: So we are not then  
16 requesting for the closing orders because Mr. Ernest is  
17 -- uh, not able to comply with that within a reasonable  
18 time. The closing statement written?

1 MR. ERNEST: Right. I was just -- I  
2 promise the Commission that we would come up with the  
3 Executive Director's recommendation after hearing --

4 MR. GUERRERO: Yeah.

5 MR. ERNEST: -- Mr. Mocanu speak.

6 MR. GUERRERO: Yeah.

7 MR. ERNEST: And after consi- -- hearing  
8 him and considering what he said and -- and listening  
9 to the Commission's questions, um, our position is that  
10 the Commission probably could revoke right now if it  
11 wanted to. I -- I believe there's regulatory authority  
12 for it.

13 Uh, but having said with that, I agree  
14 with counsel for IPI that it would not be appropriate  
15 at this time. Uh, first, the Executive Director, in  
16 all five complaints, made quite clear he -- in fact,  
17 affirmatively stated he didn't believe that revocation  
18 was proper at that time. I don't believe his opinion  
19 has changed. I would point out that the notices of  
20 complaint that accompanied the -- the complaints, I

1 don't believe mentioned revocation. I believe they  
2 mentioned suspension and -- and penalties.

3                   And, again, the complaints don't mention  
4 revocation directly. They do say any other relief the  
5 Commission deems just. So, I guess, generally or  
6 obliquely, they did allow for the possibility. But,  
7 um, that would be very backhanded. That would be a  
8 backhanded way to win, and -- and I think the  
9 Commission is about integrity and -- and -- and playing  
10 the game right. I mean, our whole -- our whole purpose  
11 is to make sure that people play the games right.  
12 Right? That's what we're supposed to do. And so I  
13 think it would be, uh, a sharp practice.

14                   I -- I think we should give them ample  
15 notice. We should be screaming from the treetops:  
16 "We're gonna revoke your license. We're gonna revoke  
17 your license." Uh, the good news is I think they are  
18 hearing that message right now: "We're going to revoke  
19 your license in the future. We're going to revoke your  
20 license in the future." They -- they can't say they

1 don't have notice going forward. But I -- I think it  
2 would very -- be arguable that they didn't have proper  
3 notice should that occur -- yeah -- in -- in -- as a  
4 result of today's hearing.

5                   Um, in lieu of revocation, if the  
6 Commission is really set on that -- and again, I hope  
7 you're not -- uh, just bump up the fine. Bumping up  
8 the fine is basically a de facto revocation anyway  
9 because they're financially unsuitable. So give them a  
10 \$20 m- -- million fine. They'll never be able to make  
11 it, and that's the same as a revocation. It just won't  
12 happen automatic.

13                   A- -- again -- and it is up to the  
14 Commission whatever you want to happen can happen. The  
15 -- the Executive Director does not seek revocation.  
16 The Executive Director seeks suspension until they  
17 comply and -- and they get -- they get it drilled into  
18 them that they have to follow our laws and they have to  
19 follow our regulations. And, uh, what -- whatever  
20 remedy the Commission --

1 MR. GUERRERO: Okay.

2 MR. ERNEST: -- feels is best. Uh, in  
3 support of that, Executive Director for Complaint 2020-  
4 003, would ask for a lump sum of \$1.5 million; -  
5 004, a lump sum of \$2 million; and -005, a lump sum of  
6 \$1.5 million for a grand total of \$5 million. That's  
7 well short of the \$808 million possible. So there's a  
8 legal basis for it. There's a factual basis for it.  
9 And that's what would -- would -- would satisfy the  
10 Executive Director.

11 MR. GUERRERO: Please submit your  
12 separate proposed orders to CCC. (Inaudible 00:44:31).

13 MR. ERNEST: From -- you want a combined  
14 one or separate ones?

15 MR. GUERRERO: Separate one.

16 UNIDENTIFIED MALE: Separate.

17 MR. GUERRERO: Separate.

18 MR. ERNEST: Okay.

19 MR. GUERRERO: As soon as possible, not  
20 to exceed March 17th.

1 MR. ERNEST: Yes, sir.

2 MR. GUERRERO: Okay. Uh, before we  
3 adjourn or go on recess, uh, I'd like to give IPI any  
4 last-minute comment from what was just presented by --

5 MR. MOCANU: No, Chairman.

6 MR. GUERRERO: Yeah. Okay. Any other  
7 questions from the Commission before we, uh, recess and  
8 go into deliberations? Yeah.

9 UNIDENTIFIED MALE: No.

10 MR. GUERRERO: Okay. Hearing none, uh,  
11 this, uh, evidentiary hearing, uh, will go on recess,  
12 uh, so we can enter into deliberation in -- in -- in  
13 private. And we'll, uh, probably continue to look into  
14 this thing. We'll wait for your proposed orders and,  
15 uh, we'll also be doing our own research on this. And  
16 we will come up with a decision, uh, no later than 90  
17 days, hopefully sooner. Any --

18 MR. MOCANU: Yeah. Would -- would, um,  
19 this, uh, Commission like to fold in Complaint 1 and 2  
20 into our --

1 MR. GUERRERO: The for the first two?

2 MR. MOCANU: -- proposed order? So it  
3 could be a global of all five?

4 MR. GUERRERO: I -- I -- I -- yeah, I  
5 think that would be appropriate, uh --

6 COUNSEL FOR CCC: I think that would be  
7 inappropriate, Chairman, because you have been recused  
8 from (inaudible 00:45:44).

9 MR. GUERRERO: Yeah. No, but on the --  
10 on the proposed -- on the proposed, uh -- or do you  
11 want to do a separate proposed, uh, (inaudible  
12 00:45:50)?

13 COUNSEL FOR CCC: Uh, i- -- I think a  
14 separate (inaudible 00:45:51).

15 MR. ERNEST: Normally I would object  
16 given the recusal but because the facts were all  
17 stipulated and because there's nothing that needs to be  
18 tried, as long as they're willing to waive it, uh,  
19 there is, uh, th- -- the fact that the Chairman was  
20 recused from the first two complaints.



1 MR. MOCANU: But he was -- I think he was  
2 recused as a fact finder.

3 MR. ERNEST: Correct.

4 MR. MOCANU: Yes, yeah.

5 MR. GUERRERO: Yeah.

6 MR. MOCANU: I -- I --

7 COUNSEL FOR CCC: If they waive it and  
8 the Ch- -- Executive Director has no objection, then  
9 (inaudible 00:46:17).

10 MR. ERNEST: Just putting on the record  
11 this is entirely their idea.

12 MR. MOCANU: Well, because if we're gonna  
13 come up with a plan that's gonna be different, 1 and 2  
14 are outliers and 3, 4, and 5 are dealt with through  
15 this, it just makes sense that we would -- that we  
16 would state a comprehensive plan.

17 MR. GUERRERO: Kind of global -- global,  
18 --

19 MR. MOCANU: That was the --

1 MR. GUERRERO: -- uh, (inaudible  
2 00:46:32).

3 MR. MOCANU: Yeah.

4 MR. GUERRERO: I have no objection.  
5 Counsel, is that --

6 COUNSEL FOR CCC: Yeah, i- -- if -- if  
7 the Executive Director has no objection and IPI is  
8 willing to waive your --

9 MR. GUERRERO: Yeah. Yeah.

10 COUNSEL FOR CCC: -- recusal, then I  
11 think you could -- then I think you have the authority,  
12 yes.

13 MR. GUERRERO: So when you submit  
14 those -- the -- they -- they would need separating and  
15 --

16 MR. ERNEST: Uh, procedurally, though,  
17 uh, the Vice Chairman and the rest of the Commission  
18 hasn't made a finding --

19 COUNSEL FOR CCC: Yeah.

20 MR. GUERRERO: Yeah. Yeah.

1 MR. ERNEST: -- explicit regarding the  
2 liability of IPI on the first complaint.

3 MR. GUERRERO: So I think your proposed  
4 order, they will meet separately to -- to entertain it.

5 UNIDENTIFIED MALE: No.

6 UNIDENTIFIED MALE: Okay.

7 MR. GUERRERO: No? (Inaudible 00:47:01).  
8 Yeah.

9 COUNSEL FOR CCC: I think -- I think what  
10 can happen probably is -- is the orders could be  
11 combined as to penalt- -- as to the penalty question.

12 MR. GUERRERO: Uh, yeah.

13 COUNSEL FOR CCC: But that anything  
14 related to finding --

15 MR. ERNEST: Yeah.

16 COUNSEL FOR CCC: -- liability --

17 MR. ERNEST: Yeah.

18 COUNSEL FOR CCC: -- would have to be  
19 different.

1 MR. GUERRERO: Okay. Okay. Uh,  
2 that's -- that's clear. So we are now on recess until,  
3 uh, further notice. Thank you. Thank you, gentlemen.

4 MR. TAITANO: (Inaudible 00:47:28)?

5 MR. GUERRERO: Yeah. Uh, Ian, you can  
6 shut down now. Thank you.

7 BACKGROUND VOICES: (Inaudible 00:47:33).

8 MR. MORRELL: Sir, I was shut down but I  
9 (inaudible 00:47:34) --

10 BACKGROUND VOICES: (Inaudible 00:47:35).

11 MR. GUERRERO: Uh, (inaudible 00:47:36)  
12 now? Shall we meet now?

13 BACKGROUND VOICES: (Inaudible 00:47:38).

14 UNIDENTIFIED MALE: Yeah, all now.

15 UNIDENTIFIED MALE: I mean, that means --

16 MR. TAITANO: Will you meet now?

17 UNIDENTIFIED MALE: I think we'll meet --

18 UNIDENTIFIED MALE: I mean --

19

20 **END OF RECORDING**